

# LFD Budget Analysis: DPHHS Quality Assurance Division

Quality Assurance Division  
Major Budget Highlights

The executive requests a total fund increase of 2.4% over the 2021 biennium primarily due to a \$0.5 million biennial increase for personal services.

**69010 - Department Of Public Health & Human Services**

**08-Quality Assurance Division**

**Program Biennium Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 20-21	Requested Budget 22-23	Biennium Change	Biennium % Change
Personal Services	12,225,997	12,739,151	513,154	4.20 %
Operating Expenses	2,984,885	2,875,216	(109,669)	(3.67)%
Equipment & Intangible Assets	1,050	1,050	0	0.00 %
Grants	1,169,882	1,169,882	0	0.00 %
Debt Service	6,866	0	(6,866)	(100.00)%
<b>Total Expenditures</b>	<b>\$16,388,680</b>	<b>\$16,785,299</b>	<b>\$396,619</b>	<b>2.42 %</b>
General Fund	4,976,848	4,927,968	(48,880)	(0.98)%
State/Other Special Rev. Funds	885,151	926,945	41,794	4.72 %
Federal Spec. Rev. Funds	10,526,681	10,930,386	403,705	3.84 %
<b>Total Funds</b>	<b>\$16,388,680</b>	<b>\$16,785,299</b>	<b>\$396,619</b>	<b>2.42 %</b>
<b>Total Ongoing</b>	<b>\$16,388,680</b>	<b>\$16,785,299</b>	<b>\$396,619</b>	<b>2.42 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Request Fiscal 2022	Request Fiscal 2023
FTE	0.00	85.50	85.50	85.50	85.50
Personal Services	5,886,828	6,001,125	6,224,872	6,329,099	6,410,052
Operating Expenses	1,055,974	1,538,742	1,446,143	1,435,652	1,439,564
Equipment & Intangible Assets	0	525	525	525	525
Grants	570,572	584,941	584,941	584,941	584,941
Debt Service	2,153	6,866	0	0	0
<b>Total Expenditures</b>	<b>\$7,515,527</b>	<b>\$8,132,199</b>	<b>\$8,256,481</b>	<b>\$8,350,217</b>	<b>\$8,435,082</b>
General Fund	2,350,971	2,456,326	2,520,522	2,427,861	2,500,107
State/Other Special Rev. Funds	353,003	417,054	468,097	463,076	463,869
Federal Spec. Rev. Funds	4,811,553	5,258,819	5,267,862	5,459,280	5,471,106
<b>Total Funds</b>	<b>\$7,515,527</b>	<b>\$8,132,199</b>	<b>\$8,256,481</b>	<b>\$8,350,217</b>	<b>\$8,435,082</b>
<b>Total Ongoing</b>	<b>\$7,515,527</b>	<b>\$8,132,199</b>	<b>\$8,256,481</b>	<b>\$8,350,217</b>	<b>\$8,435,082</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Quality Assurance Division  
Organization & Budget (millions)  
request:

- Compliance - \$6.7
- Certification - \$5.4
- Licensure - \$2.6
- Support Services - \$1.9

- DPHHS transferred the Medical Marijuana program through a reorganization during FY 2020 to the Operations Services Division, formerly Management and Fair Hearings Division. This resulted in a reduction of \$2.1 million in the QAD base budget year and included the transfer of 20 HB2 FTE.
- In addition, during FY 2020 the childcare licensing function was transferred to the new Early Childhood and Family Support Division - \$1.4 million in base budget appropriations and 15.23 HB2 FTE.

Funding

The following table shows proposed program funding by source of authority.

Department of Public Health & Human Services, 08-Quality Assurance Division						
Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,927,968	0	0	0	4,927,968	29.36 %
02034 Earmarked Alcohol Funds	182,247	0	0	0	182,247	19.66 %
02043 Med Provider Revalidation Fees	1,000	0	0	0	1,000	0.11 %
02379 02 Indirect Activity Prog 07	0	0	0	0	0	0.00 %
02380 02 Indirect Activity Prog 08	25,312	0	0	0	25,312	2.73 %
02497 6901-Lien & Estate - SLTCD	143,646	0	0	0	143,646	15.50 %
02566 Medical Marijuana	0	0	0	0	0	0.00 %
02585 Recovery Audit Contract	191,528	0	0	0	191,528	20.66 %
02597 Healthy Montana Kids Plan	0	0	0	0	0	0.00 %
02789 6901-CHIP/MCHA Tobacco Sett Fd	0	0	0	0	0	0.00 %
02760 Private Alt Adol Res Programs	383,212	0	0	0	383,212	41.34 %
State Special Total	\$926,945	\$0	\$0	\$0	\$926,945	5.52 %
03299 Support Pregnant & Parent Teen	(285)	0	0	0	(285)	(0.00)%
03303 Title 18 CLIA	322,209	0	0	0	322,209	2.95 %
03580 6901-93.778 - Med Adm 50%	1,799,422	0	0	0	1,799,422	16.46 %
03597 03 Indirect Activity Prog 08	2,393,970	0	0	0	2,393,970	21.90 %
03335 FDA Mammography Inspections	60,260	0	0	0	60,260	0.55 %
03359 Recovery Audit Program	282,668	0	0	0	282,668	2.59 %
03426 CHIP Program Fed	0	0	0	0	0	0.00 %
03530 6901-Foster Care 93.658	177,785	0	0	0	177,785	1.63 %
03934 Title 19	980,069	0	0	0	980,069	8.97 %
03935 Title 18	3,626,019	0	0	0	3,626,019	33.17 %
03960 Rural Hospital Flexibility Prog	1,288,269	0	0	0	1,288,269	11.79 %
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0	0.00 %
Federal Special Total	\$10,930,386	\$0	\$0	\$0	\$10,930,386	65.12 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$16,785,299	\$0	\$0	\$0	\$16,785,299	

General Fund is used to support an array of services including: some admin functions, state match for eligible Medicaid costs, community residential licensing, program compliance, radiological equipment testing, licensure for assisted livings, etc.

State special funds include: alcohol taxes allocated to DPHHS - used to fund staff and ops for chemical dependency program licensure; lien & estate funds used to pursue recoveries for the costs of Medicaid (mainly for nursing home services); Recovery Audit Contract funds are used to support audits performed by the program to identify waste, fraud or abuse in Medicaid; Private Alternative Adolescent Residential or Outdoor Programs (SB267) are for the licensure and regulation of such programs

Federal funds include: Title 18 CLIA – Clinical Laboratory Improvements Amendments support reviews of laboratories that wish to qualify for federal funding; the federal portion of Medicaid admin costs; the Recovery Audit Program – the ACA requires Medicaid agencies to contract with Recovery Audit Contractors (RAC) to identify and recover overpayments and underpayments to Medicaid providers; Title 18 (Medicare) & Title 19 (Medicaid) are used for certifications of long term care, such as nursing facilities and non long term care such as hospitals, home health agencies, etc.; rural hospital flexibility program helps local hospitals maintain their critical access hospital (CAH) status

## Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	Fiscal 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(24,061)	(4,601)	197,012	168,350	0.00	(17,609)	(3,965)	206,754	185,180
DP 3 - Inflation Deflation	0.00	(4,477)	(420)	(5,594)	(10,491)	0.00	(2,806)	(263)	(3,510)	(6,579)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$28,538)</b>	<b>(\$5,021)</b>	<b>\$191,418</b>	<b>\$157,859</b>	<b>0.00</b>	<b>(\$20,415)</b>	<b>(\$4,228)</b>	<b>\$203,244</b>	<b>\$178,601</b>

\*\*Total Funds\* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

## New Proposals

The New Proposals table shows new changes to spending

New Proposals										
	Fiscal 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - Reduce GF Budget for State Share Holiday	0.00	(64,123)	0	0	(64,123)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$64,123)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$64,123)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*\*Total Funds\* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).